

HB 604

## Testimony for the Billings Clinic

Billings Clinic has been a supporter of healthcare reform as we recognize our current healthcare system is financially unsustainable. We believe that healthcare needs to be delivered in a more coordinated fashion across settings (physician offices, hospitals, and long term care) and over time. Providers need to be more at risk, through different payment models, for their performance on patient outcomes, satisfaction and costs of care. Billings Clinic has been making for nearly 10 years the investments in technology and care process redesign; participating in state and federal risk contracts in order to be successful in the future. These changing incentives and the resulting delivery and payment system transformation are already underway across our country driven by Medicare and private payers. Continuing to have a large number of low income uninsured Montanans contributes to the inefficiency and waste in our state healthcare system. Billings Clinic supports evaluation of significant structural, delivery and payment methods in Medicaid that would contain costs, enhance value and improve patient outcomes and support HB 604 given this intent.

We appreciate the sponsor agreeing to the amendments being offered today. We would like to raise concerns about the financial investment needed to have a sound work product from the Select Committee. Our experience in collaborating with other healthcare organizations across the country to create accountable entities, prepared to share risk and be measured on their quality outcomes requires sophisticated data analysis, technology investment and work process change. We've made an investment over 3 years of over \$400,000 to prepare us for this transformation. The critical element for us in these projects has been the ability to work with the payers toward common goals and learn from the robust and timely data needed to be make the necessary care delivery changes.

Extending health insurance to this population helps to reduce the amount privately insured Montanans pay to offset the unpaid medical costs of those without insurance. Providers can't absorb these unpaid costs – almost \$350 million just for hospitals in Montana in 2012. Roughly \$125 million was provided at no charge for low income Montanans. At Billings Clinic \$14.8 million dollars in hospital, physician and long term care services was provided through financial assistance to low income individuals in the most recent fiscal year.

Billings Clinic has worked diligently to reduce the cost of care through implementing process improvements and eliminating waste, taking out over \$21 million of expense during the past three years. We cannot continue to absorb all the unpaid costs of the uninsured. The reality is that these costs are paid by the private and self-insured plans creating a hidden tax for those employers and individuals with insurance coverage. Extending coverage to this uninsured low income population will help reduce insurance premium inflation and be good for Montana businesses.

There are proven ways to reform Medicaid and improve the value for the tax dollars we spend. Improving care coordination for those with multiple chronic diseases, avoiding unnecessary utilization of services, reducing defensive medicine and decreasing preventable readmissions will help slow the growth of health care spending. Proposals to reform Medicaid should be included in legislation that expands coverage for the low income adults that are newly eligible.

DATE

TIME